



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 983 532 845
Organisasjonsform: Aksjeselskap
Foretaksnavn: TCO AS
Forretningsadresse: Storaneset 20
5260 INDRE ARNA

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Robert Jay Abercrombie
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sales revenues	1	152 915 000	166 669 000
Sum inntekter		152 915 000	166 669 000
Kostnader			
Cost of goods sold		47 116 000	51 443 000
Payroll and related costs	2	78 654 000	72 134 000
Depreciation	9,10	12 340 000	14 320 000
Other operating expenses	3-5,16	49 660 000	31 249 000
Sum kostnader		187 770 000	169 146 000
Driftsresultat		-34 855 000	-2 477 000
Finansinntekter og finanskostnader			
Other financial income		6 877 000	13 976 000
Sum finansinntekter		6 877 000	13 976 000
Write downs of non-current financial assets		937 000	170 000
Other financial expenses		11 165 000	11 790 000
Sum finanskostnader		12 102 000	11 960 000
Netto finans	15	-5 225 000	2 016 000
Ordinært resultat før skattekostnad		-40 080 000	-461 000
Income tax expense	7	-8 718 000	-22 000
Ordinært resultat etter skattekostnad		-31 362 000	-439 000
Årsresultat		-31 362 000	-439 000
Overføringer og disponeringer			
Transfer to accumulated other equity		-31 362 000	-439 000
Sum overføringer og disponeringer		-31 362 000	-439 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	9	10 702 000	14 747 000
Concessions, patents, licenses, trade marks and similar rights	9	133 000	246 000
Utsatt skattefordel	7	16 786 000	8 068 000
Sum immaterielle eiendeler		27 621 000	23 061 000
Varige driftsmidler			
Land, buildings and other property	10,14	502 000	801 000
Running equipment, tools etc	6,10,1 4	19 038 000	16 806 000
Sum varige driftsmidler		19 540 000	17 607 000
Finansielle anleggsmidler			
Investering i datterselskap	11	1 757 000	1 757 000
Sum finansielle anleggsmidler		1 757 000	1 757 000
Sum anleggsmidler		48 918 000	42 425 000
Omløpsmidler			
Varer			
Inventories	14	77 674 000	85 447 000
Sum varer		77 674 000	85 447 000
Fordringer			
Accounts receivable	14	10 042 000	16 384 000
Other short-term receivables	8	5 241 000	5 756 000
Konsernfordringer	12		9 211 000
Sum fordringer		15 283 000	31 351 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	13	3 243 000	2 661 000
Sum bankinnskudd, kontanter og lignende		3 243 000	2 661 000
Sum omløpsmidler		96 200 000	119 459 000



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		145 118 000	161 884 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	17,18	208 000	208 000
Overkurs	17	10 174 000	10 174 000
Annen innskutt egenkapital	17	10 223 000	10 223 000
Sum innskutt egenkapital		20 605 000	20 605 000
Opptjent egenkapital			
Other equity	17		16 046 000
Udekket tap	17	15 316 000	
Sum opptjent egenkapital		-15 316 000	16 046 000
Sum egenkapital		5 289 000	36 651 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14,19	20 000 000	39 500 000
Langsiktig konserngjeld	12	41 433 000	22 156 000
Other long-term liabilities	5,6	12 189 000	8 204 000
Sum annen langsiktig gjeld		73 622 000	69 860 000
Sum langsiktig gjeld		73 622 000	69 860 000
Kortsiktig gjeld			
Bank overdraft	20	42 373 000	17 521 000
Leverandørgjeld		8 614 000	23 093 000
Tax payable	7		
VAT, social security costs etc		5 152 000	4 962 000
Other current liabilities		10 068 000	9 797 000
Sum kortsiktig gjeld		66 207 000	55 373 000



Balanse

Beløp i: NOK	Note	2021	2020
Sum gjeld		139 829 000	125 233 000
SUM EGENKAPITAL OG GJELD		145 118 000	161 884 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sales revenues	1	213 078 000	233 357 000
Sum inntekter		213 078 000	233 357 000
Kostnader			
Cost of goods sold		69 232 000	79 922 000
Payroll and related costs	2	84 707 000	78 345 000
Depreciation	9, 10	12 690 000	14 757 000
Other operating expenses	3-5, 16	63 032 000	58 911 000
Sum kostnader		229 661 000	231 935 000
Driftsresultat		-16 583 000	1 422 000
Finansinntekter og finanskostnader			
Other financial income		5 397 000	12 350 000
Sum finansinntekter		5 397 000	12 350 000
Other financial expenses		9 721 000	10 347 000
Sum finanskostnader		9 721 000	10 347 000
Netto finans	15	-4 324 000	2 003 000
Ordinært resultat før skattekostnad		-20 907 000	3 425 000
Income tax expense	7	-6 559 000	6 280 000
Ordinært resultat etter skattekostnad		-14 348 000	-2 855 000
Årsresultat		-14 348 000	-2 855 000
Overføringer og disponeringer			
Transfer to accumulated other equity		-14 348 000	-2 855 000
Sum overføringer og disponeringer		-14 348 000	-2 855 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	9	10 702 000	14 747 000
Concessions, patents, licenses, trade marks and similar rights	9	133 000	246 000
Utsatt skattefordel	7	16 786 000	8 068 000
Sum immaterielle eiendeler		27 621 000	23 061 000
Varige driftsmidler			
Land, buildings and other property	10, 14	502 000	801 000
Running equipment, tools etc	6, 10, 14	20 619 000	18 958 000
Sum varige driftsmidler		21 121 000	19 759 000
Sum anleggsmidler		48 742 000	42 820 000
Omløpsmidler			
Varer			
Inventories	14	90 378 000	95 528 000
Sum varer		90 378 000	95 528 000
Fordringer			
Accounts receivable	14	25 205 000	24 111 000
Other short-term receivables	8	11 469 000	7 994 000
Sum fordringer		36 674 000	32 105 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	13	6 086 000	14 853 000
Sum bankinnskudd, kontanter og lignende		6 086 000	14 853 000
Sum omløpsmidler		133 138 000	142 486 000
SUM EIENDELER		181 880 000	185 306 000

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Share capital	17, 18	210 000	210 000
Beholdning av egne aksjer	17, 18	-2 000	-2 000
Overkurs	17	10 174 000	10 174 000
Annen innskutt egenkapital	17	10 223 000	10 223 000
Sum innskutt egenkapital		20 605 000	20 605 000
Opptjent egenkapital			
Other equity	17	42 416 000	56 589 000
Sum opptjent egenkapital		42 416 000	56 589 000
Sum egenkapital		63 021 000	77 194 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7	2 926 000	1 574 000
Sum avsetninger for forpliktelser		2 926 000	1 574 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14, 19	20 000 000	39 500 000
Langsiktig konserngjeld	12	15 000 000	
Other long-term liabilities	5, 6	12 188 000	8 204 000
Sum annen langsiktig gjeld		47 188 000	47 704 000
Sum langsiktig gjeld		50 114 000	49 278 000
Kortsiktig gjeld			
Bank overdraft	20	42 373 000	17 521 000
Leverandørgjeld		9 436 000	23 127 000
Tax payable	7	915 000	2 440 000
VAT, social security costs etc		5 323 000	5 125 000
Other current liabilities		10 698 000	10 621 000
Sum kortsiktig gjeld		68 745 000	58 834 000
Sum gjeld		118 859 000	108 112 000
SUM EGENKAPITAL OG GJELD		181 880 000	185 306 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
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Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 695510

Enheten

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Brønnøysundregistrene, 25.07.2022



Organisasjonsnr: 983 532 845
TCO AS

RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
RESULTATREGNSKAP			
Inntekter			
Sales revenues	1	152 915 000	166 669 000
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Ordinært resultat før skattekostnad			
Income tax expense	7	-8 718 000	-22 000
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Overføringer og disponeringer			
Transfer to accumulated other equity		-31 362 000	-439 000
Sum overføringer og disponeringer		-31 362 000	-439 000



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TCO AS

BALANSE

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SUM EIENDELER		145 118 000	161 884 000

BALANSE - EGENKAPITAL OG GJELD



Egenkapital			
Innskutt egenkapital			
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Sum innskutt egenkapital		20 605 000	20 605 000
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Other equity	17		16 046 000
Udekket tap	17	15 316 000	
Sum opptjent egenkapital		-15 316 000	16 046 000
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Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	14,19	20 000 000	39 500 000
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Other current liabilities		10 068 000	9 797 000
Sum kortsiktig gjeld		66 207 000	55 373 000
Sum gjeld		139 829 000	125 233 000
SUM EGENKAPITAL OG GJELD		145 118 000	161 884 000



Organisasjonsnr: 983 532 845
TCO AS

KONSERNRESULTATREGNSKAP

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Income tax expense	7	-6 559 000	6 280 000
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Årsresultat		-14 348 000	-2 855 000
Overføringer og disponeringer			
Transfer to accumulated other equity		-14 348 000	-2 855 000
Sum overføringer og disponeringer		-14 348 000	-2 855 000



Organisasjonsnr: 983 532 845
TCO AS

KONSERNBALANSE

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Omløpsmidler			
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Fordringer			
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BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
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Sum egenkapital		63 021 000	77 194 000
Gjeld			
Langsiktig gjeld			
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Sum avsetninger for forpliktelseser		2 926 000	1 574 000
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	14, 19	20 000 000	39 500 000
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VAT, social security costs etc		5 323 000	5 125 000
Other current liabilities		10 698 000	10 621 000
Sum kortsiktig gjeld		68 745 000	58 834 000
Sum gjeld		118 859 000	108 112 000
SUM EGENKAPITAL OG GJELD		181 880 000	185 306 000



Board of Directors' report 2021

Corporate Overview

TCO AS (the "Company") is the parent company of the TCO Group. The TCO Group develops and provides products and services for the completion phase of onshore and offshore, exploration, production and injection wells for oil and gas. TCO Group also provides products and services for permanent plugging of wells and services such as TCP (Tubing Conveyed Perforation) and CI (Chemical Injection Systems).

The Company was founded in Norway in 2001. The TCO Group consists of fully owned operating companies in Norway, Scotland and USA and local presence in Abu Dhabi, UAE.

The TCO Group supplies products and services to customers operating on- and offshore gas and oil fields nationally and internationally.

The goal of the TCO Group is to be the preferred partner in the oil and gas industry delivering advanced well completion technologies cost effectively. A further strengthening of presence in existing markets and entering new markets have the highest priority.

Developing the existing product portfolio and, at the same time, evaluating new products and services, were also high on the priority list in 2021 and will be in the years to come. The Deep Set Bypass Plug (DSBP) was released during 2021 and will contribute to further growth from 2022.

Despite the Covid-19 outbreak, TCO has been able to maintain activity in all areas of the business. The Company continued its growth in the US market. TCO has 30 patent families consisting of 150 single patents worldwide.

Insurance has been taken out for the board members and senior employees for the personal liability for property damage that they may incur in connection with the performance of their duties. The insurance is taken out on market terms in an international insurance company with a solid rating.

Environmental and Social Governance

TCO aims to be a responsible company regarding working conditions, human rights, the environment and anti-corruption. Environmental and Social Governance is regularly reported to the Board based on United Nations Global Impact.

The Company is focusing continuously to improve the health, safety and quality towards a zero-fault target. In 2021 TCO had two lost time injuries, and total time of absence was 5 days. The working environment is good with turnover and sickness absence at normal levels.

TCO has implemented a Code of Conduct including anti-bribery and sexual harassment coverage. All new employees are introduced to the Code of Conduct and training in the Code of Conduct is performed on a regularly basis. The Company emphasizes that all activities in the TCO Group shall comply with applicable legislation and the Code of Conduct. The personnel policy states that TCO shall recruit and keep staff based on competence, experience, and equal opportunities regardless of ethnicity, religion, gender, age, sexual orientation, marital status, or disability. The percentage of female employees increased from 17% to 20% in 2021. The percentage of female board members are 17%. It is not considered necessary to implement measures with regards to gender equality.



The Company aims to minimize the impact of its activities on the environment and its operations are in accordance with ISO 14001. TCO keeps an environmental account to measure its environmental impact. The Company operates within current laws and legislation and has not recorded any spillage to the environment in 2021.

TCO is an approved apprenticeship company for CNC operators and offers internships.

Consolidated accounts

The financial statements have been prepared based on the going concern assumption and in accordance with the Norwegian Accounting Act Section 3-3. The Board of Directors confirms this at the time the accounts were approved. The basis for the assumption is the positive status of the Company's equity, debt funding and the contract portfolio and prospects. The parent company and the TCO Group have a financial platform for further growth in all business areas.

Other operating cost increased from MNOK 58.0 in 2020 to MNOK 63.0 in 2021 mainly due to extra ordinary cost related to a lawsuit in USA against the Company regarding alleged patent infringement. As of the end of the 2021 financial year, no provisions have been made for future costs, on the basis that the Company believes the lawsuit will have a positive outcome. A clarification is expected in autumn 2022.

Sales revenues in 2021 amounted to MNOK 213.1 compared to MNOK 233.4 in 2020.

Profit before tax in 2021 amounted to MNOK -20.9 compared to MNOK 3.4 in 2020.

Balance Sheet Statement

Consolidated total assets amounted to MNOK 181,2 (2020: MNOK 185.3).

The TCO Group has capitalized Research and Development cost totaling MNOK 2.2 (2020: MNOK 4.4) which equals 1.0% of sales (2020: 1.9%)

Total current assets equaled MNOK 133.1 (2020: MNOK 142.5) of which cash was MNOK 6.1 (2020: MNOK 14.9). Total equity amounted to MNOK 63.0 (2020: MNOK 77.2)

Total equity and liabilities amounted to MNOK 181.9 (2020: MNOK 185.3). Current liabilities equaled MNOK 68.8 (2020: MNOK 58.9).

Cash Flow Statement

Cash Flow from operating activities amounted to MNOK -23.0 (2020: MNOK 35.2)

Cash and cash equivalents at 31.12 are MNOK 6.1 (2020: MNOK 14.9)

Risk factors

TCO provides a portfolio of products and services for the oil and gas industry. The industry has historically been cyclical. Fluctuations in the oil price influence the activity in the industry, but also regulatory issues related to operational safety and environmental hazards. As the Company operates in different geographical markets it is also subject to both political risk and currency risk.

The TCO Group seeks to mitigate risk by securing long term contracts with reputable customers. All contracts within the oil and gas industry are associated with significant risk and responsibilities, including technical, operational, commercial and political risk. TCO will always aim to have adequate insurance coverage to mitigate risk.



Outlook

The North Sea is still an important market for TCO. The market in UK saw significant recovery for TCO and will continue to contribute positively. The onshore market in USA faced increased activity and high activity is expected to continue. The market in Middle East has and will continue to be important for TCO.

The budget for 2021 was optimistic based on the activity in 2020. The Covid-19 outbreak continued to create uncertainty in the market. TCO is in the completion segment of the market. We expect to see increased activity for TCO in the US market, stable activity in the North Sea, stable activity in the Middle East and increased activity in the UK sector.

Bergen 13.06.2021

Rober Jay Abercrombie
CEO

Øystein Elgan
Chairman of the Board

Sverre Skogen
Board Member

Jørund Haga Indrehus
Board Member

Hanne E. Bowitz
Board Member

Atle B Ingebrigtsen
Board Member

Bård Nerdal
Board Member



Consolidated Financial Statement

TCO AS

2021



Income Statement

TCO AS		TCO Group			
2020	2021	(Amounts in 1000 NOK)	Note	2021	2020
OPERATING REVENUE					
166 669	152 915	Sales revenue	1	213 078	233 357
166 669	152 915	Total operating revenue		213 078	233 357
OPERATING EXPENSES					
51 443	47 116	Cost of material		69 232	79 922
72 134	78 654	Salary and personnel expenses	2	84 707	78 345
14 320	12 340	Depreciation and impairment	9, 10	12 690	14 757
31 249	49 662	Other operating expenses	3, 4, 5, 16	63 032	58 912
169 146	187 771	Total operating expenses		229 661	231 935
-2 477	-34 855	OPERATING PROFIT		-16 583	1 422
170	937	Write down of loan to group company			
13 976	6 877	Other financial income		5 397	12 350
11 790	11 165	Other financial expenses		9 721	10 347
2 016	-5 225	Net financial income / - (cost)	15	-4 324	2 003
-461	-40 080	EARNINGS BEFORE TAXES		-20 907	3 425
-22	-8 718	Taxes	7	-6 559	6 280
-439	-31 362	PROFIT OR LOSS FOR THE YEAR		-14 348	-2 855
-439	-31 362	Transferred to other equity		-14 348	-2 855
-439	-31 362	Total allocated		-14 348	-2 855



Balance Sheet

TCO AS						TCO Group	
31.12.2020	31.12.2021	(Amounts in 1000 NOK)	Note	31.12.2021	31.12.2020		
ASSETS							
NON-CURRENT ASSETS							
246	133	Patents, licenses, etc	9	133	246		
14 747	10 702	Products and technology Goodwill	9	10 702	14 747		
8 068	16 786	Deferred tax asset	7	16 786	8 068		
23 061	27 621	Total intangible assets		27 621	23 061		
16 806	19 038	Equipment, tools etc.	6, 10, 14	20 618	18 958		
801	502	Properties and buildings	10, 14	502	801		
17 607	19 540	Total fixed assets		21 121	19 759		
1 757	1 757	Investments in subsidiaries	11				
1 757	1 757	Total financial assets					
42 425	48 918	Total non-current assets		48 742	42 820		
CURRENT ASSETS							
85 447	77 674	Inventory	14	90 378	95 528		
16 384	10 042	Trade receivables	14	25 205	24 111		
5 756	5 241	Other receivables	8	11 469	7 994		
9 211		Loan to group companies	12				
31 351	15 283	Total trade and other receivables		36 674	32 105		
2 661	3 243	Cash and cash equivalents	13	6 087	14 854		
119 459	96 200	Total current assets		133 138	142 486		
161 884	145 118	Total assets		181 880	185 306		



Balance Sheet

TCO AS		(Amounts in 1000 NOK)		TCO Group	
31.12.2020	31.12.2021		Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES					
EQUITY					
210	210	Share capital	17, 18	210	210
-2	-2	Own shares	17, 18	-2	-2
10 174	10 174	Share premium	17	10 174	10 174
10 223	10 223	Other paid in capital	17	10 223	10 223
20 605	20 605	Total paid-in capital		20 605	20 605
16 046	-15 316	Other equity	17	42 416	56 589
16 046	-15 316	Total other equity		42 416	56 589
36 651	5 289	Total Equity		63 021	77 194
NON-CURRENT LIABILITIES					
		Deferred tax	7	2 926	1 574
39 500	20 000	Non-current interest bearing debt	14, 19	20 000	39 500
8 204	12 189	Other long term liabilities	5, 6	12 189	8 204
22 156	41 433	Loan from Group companies	12	15 000	
69 860	73 622	Total non-current liabilities		50 114	49 277
CURRENT LIABILITIES					
17 521	42 373	Current interest bearing debt	20	42 373	17 521
23 093	8 614	Trade payables		9 436	23 127
		Tax payables	7	915	2 440
4 962	5 152	Public duties payable		5 323	5 125
9 797	10 068	Other short term payables		10 698	10 621
55 373	66 207	Total current liabilities		68 745	58 835
161 884	145 118	Total equity and liabilities		181 880	185 306

December 31st 2021

Bergen, June 13th 2022

Robert Jay Abercombie
Chief Executive Officer

Øystein Elgan
Chairman of the Board

Sverre Skogen
Board member

Jørund Haga Indrehus
Board member

Hanne E. Bowitz
Board member

Atle B. Ingebrigtsen
Board member

Bård Nerdal
Board member



Cash Flow Statement

TCO AS		(Amounts in 1000 NOK)	TCO Group	
31.12.2020	31.12.2021		31.12.2021	31.12.2020
-461	-40 080	Cash flow from operating activities	-20 907	3 425
		Earnings before taxes		
		Change in tax payable	-1 525	-4 752
14 320	12 340	Depreciation and impairment	12 690	14 757
11 484	6 343	Change in trade receivables	-1 094	26 956
16 902	-14 480	Change in trade payables	-13 691	15 666
-17 210	7 773	Change in inventory	5 150	-15 433
-494	2 976	Other adjustments	-3 612	-5 460
24 542	-25 128	Net cash flow from operating activities	-22 990	35 158
		Cash flow from investing activities		
		Proceeds from sales of fixed assets		176
-13 576	-10 115	Payments for purchase of fixed assets and R&D	-10 115	-13 576
		Investment in subsidiaries		
-13 576	-10 115	Net cash flow from investing activities	-10 115	-13 400
		Cash flows from financing activities		
3 615		Proceeds from Issuance of long term debt		1 615
	24 853	Proceeds from issuance of short term debt	24 853	
	-2 515	Repayment of long term debt	-515	
-17 324		Repayment of short term debt		-17 324
2 710	13 488	Change in loan to/from Group companies		
-11 000	35 825	Net cash flows from financing activities	24 338	-15 710
-34	582	Net change in cash and cash equivalents	-8 767	6 048
2 696	2 661	Cash and cash equivalents at 01.01.	14 854	8 805
2 661	3 243	Cash and cash equivalents at 31.12.	6 087	14 854

**Accounting principles**

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles (GRS)

Consolidation*Basis for consolidation*

The consolidated financial statements comprise the parent company TCO AS and the subsidiaries where TCO AS has a controlling interest. A controlling interest is normally achieved when the Group owns more than 50% of the shares in the company and is also in the position to exercise control over the company. The minority share of the equity is included in the consolidated equity. The consolidated accounts are prepared such that the group of companies are presented as a single economic entity. Intercompany transactions have been eliminated from the consolidated accounts, such as intercompany receivables and payables. The consolidated accounts are prepared according to the same accounting principles for both parent and subsidiary.

Subsidiaries

Acquired subsidiaries are valued in the financial statements using the cost method. If the fair value of the subsidiary is lower than the book value, and the impairments is not expected to be temporary, a write down is recognized to reflect the fair value in the financial statements. Subsidiaries are presented under financial assets in the balance sheet. Dividends earned in the period of ownership is recognized as financial income in the year the dividend is allocated.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized when the service is rendered. The share of revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time when the services is rendered.

Balance sheet classification

Fixed assets are assets intended for permanent ownership or use by the company in the normal business cycle. Other assets are current assets. Current liabilities are due within one year or otherwise directly related to the business cycle.

Trade receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for probable write offs.

Receivables and payables in foreign currency

Cash and cash equivalents, trade receivables and trade payables in a foreign currency are presented in the financial statements using the year end exchange rates. Realized and unrealized currency gain/loss is recorded as financial income /loss.

Other current assets

Other current assets are valued at the lower of fair value or acquisition cost.

Fixed assets and depreciation

Fixed assets are capitalized and depreciated if they have an expected useful life of more than three years, and an acquisition cost of more than NOK 15 000. The fixed assets are recognized at acquisition cost, less ordinary depreciation. Ordinary depreciation is calculated on a linear basis over the economic life of the asset. Ordinary depreciation is presented under operating expenses in the income statement. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Gains or losses on disposals of fixed assets are netted in revenues. Maintenance costs are expensed as incurred.

Intangible assets

Intangible assets acquired separately are capitalized at cost and depreciated over their estimated useful lives.

Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified and the cost incurred can be measured reliably. Otherwise, the costs are expensed as incurred. Research costs are expensed as incurred.

Inventory

The inventory is valued at the lowest of historical cost and fair value. The historical cost is valued using the FIFO method. Finished goods and work in process are valued at production cost. Management considers allowances for obsolescence.

Pensions

The company has established a defined contribution pension plan for all employees, and contributions to the plan are expensed as salary expenses in the income statement. The cost is expensed as incurred.

**Tax**

Tax expenses in the income statement comprise both tax payable for the accounting period and changes in deferred tax asset / deferred tax. Deferred tax /- tax asset is calculated at 22% on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is likely to be utilized.

Currency

Transactions in foreign currency is recalculated using the exchange rate on the transaction date. Cash and cash equivalents in foreign currency are recalculated to NOK using the exchange rate at year end. Currency gains and -losses are recorded in the income statement throughout the accounting period using the exchange rate on the date of the transaction. Monetary items in foreign currency are valued at the exchange rate at year end.

Functional and presentational currency

The Group presents the financial statements in NOK, which is also the parent company's functional currency. Assets and liabilities of subsidiaries are recalculated using the exchange rate at year end. Revenue and expenses are recalculated using the average exchange rate. Currency exchange differences are recognized in equity.

Leases

Depending on the content of the agreement, leases are classified as financial or operational. If the significant part of the economic rights and obligations related to the underlying asset is transferred to the Group, the lease is classified as a financial lease. Assets held under financial leases are capitalized and depreciated over the useful life of the asset. The repayment of the lease obligation is included in interest bearing debt. Other leases are classified as operating leases and the annual leasing fee is expensed directly.

Estimates

Management has used estimates and assumptions which has affected assets, liabilities, revenues, expenses and disclosures of contingent liabilities. Future events could cause estimates to change. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period the changes occur.

Cash flow

The cash flow statement is prepared using the indirect method.

The liquid funds in the groups cash flow statement is defined as the sum of all bank deposits.



Note 1 - Sales revenue (Amounts in 1000 NOK)

Parent Company 2020	2021	Geographical area	Group 2021	2020
131 774	90 731	Norway	90 731	131 774
1 512	15 998	Europe/Africa	33 102	12 610
26 354	32 043	Asia/Oceania	32 043	26 354
7 028	14 143	America	57 202	62 619
166 669	162 915	Total	213 078	233 357

The Group develops and provides products and services for the completion phase of onshore and offshore production and injection wells for oil and gas. The Group also provides products and services for permanent plugging of wells, as well as services such as TCP (Tubing Conveyed Perforating) and CI (Chemical Injection Systems).

Note 2 - Salary and personnel expenses

Parent Company 2020	2021		Group 2021	2020
57 843	62 564	Salary	68 023	62 981
7 950	9 071	Social security tax	9 458	8 315
3 549	3 975	Pension contribution	4 068	3 672
2 973	3 044	Other benefits	3 159	3 376
72 314	78 654	Total	84 707	78 345

In the financial statements for 2021, a total of NOK 475 000 is recorded as board fees. Managing Director has received a salary totaling NOK 2 706 835, and other benefits totaling NOK 7 176 for the whole year. Further, the Managing Director is a member of the Company's defined contribution pension plan.

Number of full-time employees employed during the accounting period:

	2021	2020
Parent	75	75
Group	84	83

The Company has not provided loans or pledges to senior executives or shareholders.

The Company is required to have a pension scheme by law that supports mandatory occupational pension. The Company's pension scheme meets the requirements of this Act.

Note 3 - Audit Fee

Parent Company		Group
342	Statutory audit	342
115	Other services	115
457	Total	457

The numbers are presented exclusive of VAT

Note 4 - Other operating expenses

Parent Company 2020	2021		Group 2021	2020
9 520	9 823	Rent and other expenses	13 651	13 655
1 299	997	Travel expenses	1 196	1 429
827	919	Rent of machines and other expenses	958	869
3 792	3 641	Supplies, telephone and IT	3 966	4 274
15 811	34 282	Other operating expenses	43 261	38 685
31 249	49 662	Total	63 032	58 912



Note 5 - Rental agreements

The Company's rental facilities	Agreements expires	Yearly rent
Storaneset Næringspark, Indre Arna	01.01.2023	5 685
Vestre Svanholmen 4, Forus	02.01.2023	743
NCC lager, Yre Arna	03.04.2023	66

The Company's rental of plots of land

gnr. 51, bnr 41 Hå kommune	31.12.2031	92
gnr. 51, bnr 29 Hå kommune	31.12.2031	50
gnr. 51, bnr 7, Hå kommune	31.12.2031	9

The company has an option to extend the lease relating to Storaneset Næringspark and NCC when the rent agreement expires.

The Group's rental facilities	Agreements expires	Yearly rent
Unit 5, Minto Commercial Park, Aberdeen, Scotland (TCO UK)	31.12.2023	£ 230
22735 E Hammond Dr., Porter, Texas, USA (TCO Products Inc., USA)	28.02.2025	\$ 106

Note 6 - Leasing

Finance lease commitments amounts to NOK 12 188 908 at year end.

In 2021 there are expensed rental costs of NOK 166 583 as interest for lease agreements assessed as financial lease.

Estimated lease payment	< 1 year	1-5 years	> 5 years	Total
Nominal value payments	2 877	7 210	2 790	12 877
Net present value*	2 740	6 116	2 166	11 042

* Discount rate: 5%



Note 7 - Taxes and deferred tax

Current year tax expense comprises:

Parent Company			Group	
2020	2021		2021	2020
-	-	Taxes payables	892	4 569
-22	-8 718	Change in deferred tax	-7 452	-22
-	-	Effect of tax accrual US 2019		1 734
-22	-8 718	Total current year tax	-6 559	6 280

Effect of tax accrual US 2019 is due to recognition of prior year temporary changes in TCO Products Inc.

Calculation of current year tax base:

-461	-40 080	Earnings before taxes	-20 907	-1 982
363	452	Permanent differences	-485	-2 001
-	-	Income from foreign subsidiaries	-	-
6 062	1 787	Change in temporary differences	3 053	6 062
-	-	Effect of tax accrual US 2019		7 895
-	-	Tax prepayments	-4 187	-1 571
5 964	-37 842	Current year tax base	-22 526	8 403
5 964	-	Use of tax loss carried forward		5 964
-	-	Taxes payable	892	2 440

Temporary differences:

Parent Company			Group	
2020	2021		2021	2020
-20 615	-20 832	Fixed assets	-20 832	-20 615
9	6	Accounts receivables	13 304	7 162
-	-	Provisions for liabilities	-	-
-11 094	-12 595	Inventory	-12 595	-11 094
-	-66	Other differences	-66	-
-4 971	-42 813	Losses carried forward	-42 813	-4 971
-36 671	-76 299	Total	-63 001	-29 518
-8 068	-16 786	Deferred tax asset (22 % last year, 22 % this year)	-13 860	-6 494

Explanation to why the current year tax expense is not equal to 22 % of earnings before taxes (22% last year)

Parent Company			Group	
2020	2021		2021	2020
-101	-8 818	22 % of earnings before taxes	-4 600	-436
80	99	22 % of permanent differences	-107	-440
-	-	Effect of change in tax rate	-	-
-	-	Tax loss carried forw. not recognised	-1 853	-3 670
-	-	Effect of tax accrual US 2019		-1 734
-22	-8 718	Calculated tax expense	-6 559	-6 280

Note 8 - Contingent assets

Tax credit claim - Skattefunn

The Company has received approval for R&D projects in "Skattefunn" by the The Research Council of Norway. The amount for 2021 totalling TNOK 510 275 is recorded in the financial statements as a reduction in fixed assets and taxes payables. The final approval will be made by the tax authorities in connection with The Company's tax return.



Note 9 - Intangible assets

Parent Company

	Products and Technology	Patents, Licences etc.	Total
Aquisition cost 01.01	35 447	21 207	56 654
Additions	2 175		2 175
Aquisition cost 31.12	37 622	21 207	58 829
Accumulated depreciation 01.01	20 699	20 961	41 660
Current year depreciation	6 221	113	6 334
Current year write down			
Accumulated depreciation 31.12	26 920	21 074	47 994
Net book value 31.12.	10 702	133	10 835
<i>Economic life</i>	3-5 years	5 years	
<i>Depreciation plan</i>		Linear	

The Parent Company has capitalized Reasearch and development cost totaling TNOK 10 702
Depreciation of R&D is calculated on a linear basis over the economic life at the time completion.
In 2021 there has been additions of TNOK 2 175, and depreciations of TNOK 6 221

Group

	Products and Technology	Patents, Licences etc.	Total
Aquisition cost 01.01	35 447	21 207	56 654
Additions	2 175		2 175
Aquisition cost 31.12	37 622	21 207	58 829
Accumulated depreciation 01.01	20 699	20 961	41 660
Current year depreciation	6 221	113	6 334
Current year write down			
Accumulated depreciation 31.12	26 920	21 074	47 994
Net book value 31.12.	10 702	133	10 835
<i>Economic life</i>	3-5 years	5 years	
<i>Depreciation plan</i>	Linear	Linear	

The Group has capitalized Reasearch and development cost totaling TNOK 10 702
Depreciation of R&D is calculated on a linear basis over the economic life at the time completion.
In 2021 there has been additions of TNOK 2 175, and depreciations of TNOK 6 211

Note 10 - Fixed assets

Parent Company

	Fixed assets	Property development	Total
Aquisition cost 01.01	71 318	2 896	74 169
Additions	7 895		7 895
Disposals			
Aquisition cost 31.12	79 213	2 896	82 064
Accumulated depreciation 01.01	54 467	2 095	56 562
Current year depreciation	5 663	343	6 006
Current year write down			
Accumulated depreciation 31.12	60 130	2 438	62 568
Net book value 31.12.	19 083	458	19 540
<i>Economic life</i>	3-5 years	8 years	
<i>Depreciation plan</i>	Linear	Linear	

Net book value at year end (31.12) for fixed assets considered as financial lease: TNOK 11 377
Current year depreciation for fixed assets considered as financial lease: TNOK 2 180



Group	Fixed assets	Property development	Total
Aquisition cost 01.01	71 364	5 559	76 923
Additions	7 895		7 895
Disposals			
Aquisition cost 31.12	79 259	5 559	84 818
Accumulated depreciation 01.01	51 491	4 758	56 250
Current year depreciation	6 013	343	6 356
Eliminated on disposal			
Accumulated depreciation 31.12	57 505	5 101	62 606
Accumulated write down 01.01	1 114		1 114
Current year write down			
Accumulated write down 31.12	1 114		1 114
Net book value 31.12.	20 663	458	21 121
<i>Economic life</i>	3-8 years	8 years	
<i>Depreciation plan</i>	Linear	Linear	

Note 11 - Subsidiaries

Company	Acquired	Business location	Ownership	Voting rights
TCO Products Inc.	2009	Texas, USA	100 %	100 %
TCO In-Well Tech. Ltd.	2009	Aberdeen, Scotland	100 %	100 %

The shares are recorded in the financial statements using the cost method

Company	Share capital	Net book value in Parent	Equity	Earnings
TCO Products Inc.	1 000 USD	TNOK 1 755	6 423 TUSD	1 677 TUSD
TCO In-Well Tech. Ltd.	2 GBP	TNOK 0	-4 223 TGBP	47 TGBP
Total		TNOK 1 755		

Note 12 - Transactions and Intercompany balances with companies within the Group

Transactions with companies within the Group

	2021	2020
Sales to TCO Products Inc.	2 954	1 919
Sales to TCO In-Well Tech. Ltd.	7 228	503
Management fee to subsidiaries	20 190	4 886
Interest income from TCO In-Well Tech. Ltd.	1 480	1 626
Interest income from TCO Products Inc.		
Total income	31 851	8 934

	2021	2020
Goods purchased from TCO In-Well Tech. Ltd.		
Hired labor from TCO In-Well Tech. Ltd.	4 384	4 465
Goods purchased from TCO Products Inc.	653	3 720
Total costs	5 037	8 185

Intercompany balances with companies within the Group

Parent Company	Group	
Long term receivables/ payables	2021	2020
2020		
-22 156	-26 433	-
-	-	-
-22 156	-26 433	-
	Sum	
Short term receivables/ payables	2021	2020
2020		
-	-	-
9 211	-	-
9 211	Sum	

TCO AS has in 2021 received a loan of 15 MNOK from the parent company, Rieber & Son AS



Note 13 - Restricted funds

Restricted bank deposits as of 31.12.21 amounts to TNOK 2 814

Note 14 - Collaterals and guarantees

Net book value for assets pledged as security for long term debt:

Parent Company			Group		
	2020	2021		2021	2020
	9 275	7 661	Operating assets	7 661	9 275
	85 447	77 674	Inventory	77 674	85 447
	16 384	10 042	Trade Receivables	10 042	16 384
	<u>111 106</u>	<u>95 376</u>	<u>Total</u>	<u>95 376</u>	<u>111 106</u>
	39 500	20 000	Secured debt	20 000	39 500

TCO AS has drawn TNOK 42 373 of an overdraft facility of TNOK 45 000 as of 31.12.2021

Note 15 - Currency gains and losses

Parent Company			Group		
	2020	2021		2021	2020
	12 340	5 395	Currency gains	5 395	12 340
	8 493	7 853	Currency losses	7 853	8 494
	<u>3 846</u>	<u>-2 458</u>	<u>Net currency gain (loss)</u>	<u>-2 457</u>	<u>3 846</u>

Note 16 - Research and development

Expenses related to R&D recorded in the financial statements for 2021 total 19,1 MNOK. The expenses incurred have contributed to concept development related to new solutions and improving existing products.

Note 17 - Equity

Parent Company						
	Share capital	Own shares	Share premium	Other paid in capital	Other equity	Total
Equity 01.01.2021	210	-2	10 174	10 223	16 046	36 651
Profit or loss for the year					-31 362	-31 362
Correction of prior year deferred tax asset						
Equity 31.12.	<u>210</u>	<u>-2</u>	<u>10 174</u>	<u>10 223</u>	<u>-15 316</u>	<u>5 289</u>

Group						
	Share capital	Own shares	Share premium	Other paid in capital	Other equity	Total
Equity 01.01.2021	210	-2	10 174	10 223	56 589	77 194
Profit or loss for the year					-14 348	-14 348
Translation differences					175	175
Correction of prior year deferred tax asset						
Equity 31.12.	<u>210</u>	<u>-2</u>	<u>10 174</u>	<u>10 223</u>	<u>42 416</u>	<u>63 021</u>



Note 18 - Share capital and shareholder information

The share capital of TCO AS at 31.12.2021 consists of one class of shares:

	Number of shares	Face value	Carrying value
A-shares	2 102 776	0,1	210 278

Shareholders as of December 31st, 2021

Shareholder	Number shares	Percentage ownership and voting rights
Rieber & Søn AS	1 772 029	85,18 %
Atlantis Vest AS	265 458	12,76 %
AS Flu	30 000	1,44 %
TCO AS (own shares)	22 500	-
Others	12 789	0,61 %
Sum	2 102 776	100,0 %

In 2014 TCO AS acquired 22 500 of its own shares. TCO AS owns these shares as of 31.12.2021

The Chairman of the Board, Øystein Elgan, owns 1 612 shares in The Company.
Board member, Sverre Skogen, owns 1 500 shares in The Company.

Note 19 - Non-current interest bearing debt

Long term liabilities (more than five years maturity):

In 2019 and 2020 neither the company or the group have any non-current interest bearing debt to financial institutions with maturity more than five years except of financial lease agreements disclosed in note 6 .

As of 31.12.21 liabilities to financial institutions consist of interest bearing debt to Nordea of TNOK 20 000, which matures in 2022.

TCO AS entered into a loan agreement for a shareholder loan with Rieber & Søn in december 2021 for a loan of TNOK 15 000.

Note 20 - Current interest bearing debt

TCO AS has an overdraft facility of TNOK 45 000. As of 31 December 2021 the loan is classified as current interest bearing debt. The overdraft facility expires 10 September 2022.

Note 21 - Legal dispute

TCO Group has received legal action for infringement of patent rights in connection with sales and production in and for the US market. As of the end of the financial year 2021, no provisions have been made for future costs, this is due to the company believing that a positive outcome of the case is probable. In the event of a possible negative outcome, there is also great uncertainty regarding the calculation of potential costs. Based on current experience, it is assumed that an outcome of the ongoing process will be clarified during the fourth quarter of 2022. Costs related to this case are expensed on an ongoing basis, and based on case law, the possibility of recourse in the event of a positive outcome is not assumed.

**SIGNATURES****ALLEKIRJOITUKSET****UNDERSKRIFTER****SIGNATURER****UNDERSKRIFTER**

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2c7bc59b-a829-4aee-8dc4-1d1a50ae2027 - 2022-06-13 14:49:23 UTC +03:00

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7e386e9b-ac10-479f-9a35-e5ee9c880420 - 2022-06-20 16:26:25 UTC +03:00

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of TCO AS

Opinion

We have audited the financial statements of TCO AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2021, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with the the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 22 June 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Truls Nesslin
State Authorised Public Accountant (Norway)

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Truls Nesslin

Statsautorisert revisor

On behalf of: Ernst & Young AS

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Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 05.05.2014	Vår dato 19.05.2014
Telefon 977 59 464	Deres referanse Kenneth Tunes	Vår referanse 2014/319232

TCO AS
Postboks 23 Indre Arna
5888 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for TCO AS, org.nr. 983 532 845

— Vi viser til deres brev av 5. mai 2014 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for TCO AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering TCO AS tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

TCO AS sin virksomhet er rettet mot internasjonale aktører og alle selskapets vesentlige samarbeidspartnere og interessenter er internasjonale. Kundemassen består i all hovedsak av store internasjonale operatørselskap som ConocoPhillips, Exxon, Total og Statoil. Videre er selskapets nøkkelleverandører også internasjonale. Selskapets hovedeier har eierinteresser i andre internasjonale virksomheter og grunnlag for innarbeidelse i regnskap for høyere enhet gjøres på engelsk.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper

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vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "*informative regnskaper for ulike grupper av regnskapsbrukere*". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets virksomhet er rettet mot internasjonale aktører og at alle selskapets vesentlige samarbeidspartnere og interessenter er internasjonale. Videre er det vektlagt at grunnlag for innarbeidelse i regnskap for høyere enhet gjøres på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Rune Tystad



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 05.05.2014	Vår dato 19.05.2014
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